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Attachment to  
IAC-D-42/12.2  
11 July 1956

ECONOMIC INTELLIGENCE COMMITTEE

5 July 1956

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE  
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SUBJECT : [ ] Conference on Communist China's Trade  
and the Transport Involved in 1955

REFERENCES: IAC-D-42/12 (20 March 1956) and IAC-D-42/12.1  
(29 March 1956)

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1. The [ ] conference on "Communist China's Trade  
and the Transport Involved in 1955" met [ ] from June 4 through  
June 15, 1956, as authorized by the IAC on April 3, 1956. Attached is  
the Joint Statement issued by the conference [ ]

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2. The principal specific benefit for U. S. intelligence from  
this conference was the obtaining of additional data on seaborne cargo  
movements, both ways, between China and the European Satellites--  
indicating the need for a considerable revision in preconference  
estimates of the composition and value of this seaborne traffic. Other  
important new information made available to the U. S. intelligence  
community included data on Chinese exports to European Satellite  
countries subsequently resold and delivered to ultimate purchasers in  
the Free World, as well as comprehensive data on Bloc chartering  
arrangements for Free World shipping used in the China trade.

3. There was no attempt during the conference to make precise  
revisions of preconference U. S. estimates as a result of this new  
information. It was clear, however, that important revisions are now  
appropriate in preconference estimates of the pattern of Chinese

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Communist trade with certain areas, particularly of seaborne trade with the Eastern European Satellites (see Paragraphs 6 and 8 of attached conference report). The EIC will now reconsider all aspects of the preconference U. S. background paper in the light of present information, and prepare a final unilateral U. S. report on this subject.

/s/ OTTO E. GUTHE  
Chairman

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